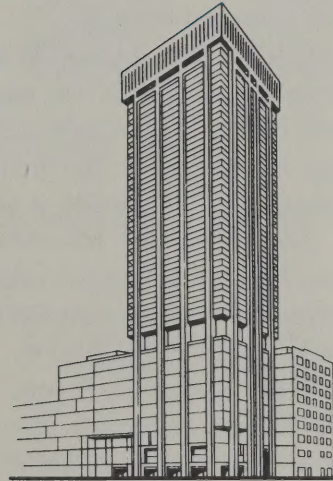


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FOR RELEASE AUGUST 14, 1970
K.W. Kernaghan, Q.C.
861-7047

Simpsons



INTERIM

REPORT TO SHAREHOLDERS

FOR SIX MONTHS ENDED JULY 8, 1970

Simpsons

SIMPSONS, LIMITED

THE SIMPSON TOWER
TORONTO 210, CANADA

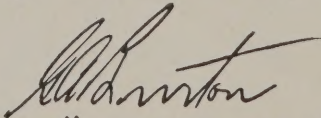
TO THE SHAREHOLDERS:

Simpsons sales for the six months ended July 8, 1970 were down less than one per cent from last year. Sales were extremely buoyant in the same period in 1969, being up 16.7% over 1968. Slightly lower sales combined with increased operating expenses resulted in a decrease in net earnings. Simpsons-Sears increased sales but also showed lower net earnings.

As announced at the Annual Meeting the Company has adopted a new basis of reporting to shareholders which includes in earnings its equity in the earnings of Simpsons-Sears. To provide a better means of comparison this statement is shown in two forms. The first two columns of figures show the results on the old basis which include dividends received by your Company from Simpsons-Sears. The second two columns of figures show the results on the new basis which include the equity in earnings of Simpsons-Sears. On the new basis net earnings per Simpsons share decreased from 25.6¢ to 17.2¢.

The new store in Fairview Mall shopping centre in the Toronto area opened last week and should contribute favourably to the results for the full year.

Construction of our major store in Sherway Gardens shopping centre, also in the Toronto area, is progressing on schedule for opening in February of next year.



Chairman and President

August 12, 1970

INTERIM CONSOLIDATED STATEMENT OF EARNINGS

Net sales	- - - - -
Net earnings from operations, before income taxes	- - - - -
Dividends received from Simpsons-Sears Limited	- - - - -
*Equity in net earnings of Simpsons-Sears Limited	- - - - -
Federal and provincial income taxes	- - - - -
Net earnings	- - - - -
Net earnings per share, on monthly average of shares outstanding	- - - - -

*Simpsons-Sears 1969 results restated: net earnings decreased

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

SOURCE OF FUNDS:

From operations:	
Net earnings	- - - - -
Provision for depreciation	- - - - -
Write-off on departmental improvements	- - - - -
Amortization of debenture discount and expenses	- - - - -

Common shares issued under Employees' Stock Purchase Plan	- - - - -
Repayment of refundable federal tax	- - - - -
Long term accounts receivable	- - - - -
Disposal of fixed assets	- - - - -
Decrease in working capital	- - - - -

APPLICATION OF FUNDS:

Additions to land, buildings, equipment and fixtures	- - - - -
Expenditures on departmental improvements	- - - - -
Increase (decrease) in equity in Simpsons-Sears Limited	- - - - -
Other investments and advances	- - - - -
Sinking fund requirements on debentures	- - - - -
Dividends on common shares	- - - - -

Subject to year-end audit and adjustments

NS, LIMITED AND SUBSIDIARY COMPANIES

OLD BASIS

*Including dividends received
from Simpsons-Sears Limited*

Six months ended

<i>July 8, 1970</i>	<i>July 9, 1969</i>
\$129,686,714	\$130,682,202
2,987,938	4,569,992
1,584,000	1,452,000
—	—
1,590,950	2,522,125
2,980,988	3,499,867
19.6 cents	23.3 cents

\$166,000.

NEW BASIS

*Including equity in earnings
of Simpsons-Sears Limited*

Six months ended

<i>July 8, 1970</i>	<i>July 9, 1969</i>
\$129,686,714	\$130,682,202
2,987,938	4,569,992
—	—
1,225,417	1,799,114
1,590,950	2,522,125
2,622,405	3,846,981
17.2 cents	25.6 cents

ATION OF FUNDS

OLD BASIS

*Including dividends received
from Simpsons-Sears Limited*

Six months ended

<i>July 8, 1970</i>	<i>July 9, 1969</i>
\$ 2,980,988	\$ 3,499,867
1,634,613	1,490,113
1,114,285	983,061
17,321	23,180
5,747,207	5,996,221
153,764	321,009
63,220	158,702
75,630	686,258
64,025	21,155
2,462,238	1,628,640
\$ 8,566,084	\$ 8,811,985
\$ 3,165,546	\$ 2,352,393
1,229,401	1,934,718
—	—
—	15,000
1,124,100	1,500,000
3,047,037	3,009,874
\$ 8,566,084	\$ 8,811,985

NEW BASIS

*Including equity in earnings
of Simpsons-Sears Limited*

Six months ended

<i>July 8, 1970</i>	<i>July 9, 1969</i>
\$ 2,622,405	\$ 3,846,981
1,634,613	1,490,113
1,114,285	983,061
17,321	23,180
5,388,624	6,343,335
153,764	321,009
63,220	158,702
75,630	686,258
64,025	21,155
2,462,238	1,628,640
\$ 8,207,501	\$ 9,159,099
\$ 3,165,546	\$ 2,352,393
1,229,401	1,934,718
(358,583)	347,114
—	15,000
1,124,100	1,500,000
3,047,037	3,009,874
\$ 8,207,501	\$ 9,159,099

DIRECTORS

WILLIAM D. ALLPORT JACK C. BARROW
THOMAS J. BELL, M.C. JAMES S. BRYANT
EDGAR G. BURTON G. ALLAN BURTON, D.S.O., E.D.
ROBERT C. GIBSON CHARLES L. GUNDY, LL.D.
JOHN H. MOORE, F.C.A. JOHN C. PORTER
WILLIAM P. SCOTT CHARLES B. STEWART
JAMES M. TORY, Q.C. FREDERIC C. WALLACE, D.S.O., M.C.

OFFICERS

G. ALLAN BURTON, D.S.O., E.D.
Chairman of the Board and President
JOHN C. PORTER
Vice-Chairman of the Board
WILLIAM P. SCOTT
Vice-President
ROBERT C. GIBSON
Executive Vice-President, Merchandising
CHARLES B. STEWART
Executive Vice-President, Stores
WILLIAM D. ALLPORT
Vice-President and Comptroller
JAMES S. BRYANT
Vice-President, Montreal Area
EDGAR G. BURTON
Vice-President, Toronto Area
KENNETH W. KERNAGHAN, Q.C.
Vice-President and Secretary
OLIVER B. MABEE
Vice-President, Personnel and Public Relations
ELMER L. ROUNDING
Vice-President, Planning and Development
A. ERNEST WILKES
Vice-President and Treasurer
IAN M. GIBSON
Assistant Treasurer
RONALD L. RADLEY
Assistant Secretary

HEAD OFFICE

THE SIMPSON TOWER
401 Bay Street, Toronto 210, Ontario

DEPARTMENT STORES

TORONTO AREA

Downtown
Yorkdale
Fairview
Cedarbrae
Sherway, opening in February, 1971

MONTREAL AREA

Downtown
Fairview-Pointe Claire
Les Galeries d'Anjou

REGINA • HALIFAX • LONDON

REGISTRARS

THE ROYAL TRUST COMPANY
Toronto and Montreal
CANADA PERMANENT TRUST COMPANY
Halifax, Winnipeg and Calgary
THE CANADA TRUST COMPANY
Vancouver

TRANSFER AGENTS

NATIONAL TRUST COMPANY, LIMITED
Toronto and Montreal
CANADA PERMANENT TRUST COMPANY
Halifax, Winnipeg and Calgary
THE CANADA TRUST COMPANY
Vancouver